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PART II—Section 2

Bills and Reports of Select Committees on Bills

HOUSE OF THE PEOPLE

The following Bills were introduced in the House of the People on 20th June, 1952:—

BILL No. 57 OF 1952

A Bill further to amend the Indian Companies Act, 1913.

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Indian Companies (Amendment) Act, 1952.

2. **Amendment of section 91B, Act VII of 1913.**—In section 91B of the Indian Companies Act, 1913, after sub-section (3), the following sub-section shall be inserted, namely:—

“(4) Notwithstanding anything contained in this section, the Central Government may, if it is of opinion that in the case of a public company which is a subsidiary company of any other company (whether that other company is a company within the meaning of this Act or not) it would not be in the public interest to apply all or any of the prohibitions contained in sub-section (1) to the subsidiary company in its relation with the holding company, direct, by notification in the Official Gazette, that this section shall not apply to any contract or arrangement made on behalf of the subsidiary company with the holding company or shall apply thereto, subject to such exceptions, modifications or conditions as may be specified in the notification.”

STATEMENT OF OBJECTS AND REASONS

The prohibitions contained in section 91B of the Indian Companies Act, 1913, have acted and are likely to act as a check on the formation of public companies in India by certain foreign companies in accordance with the agreements entered into by them with the Government of India, because it would have to be an essential feature in such cases that close

connection is allowed to exist in the public interest between the directors of the Indian Companies to be so formed (most of whom are likely to be the nominees of the holding companies) and the holding companies themselves. It is, therefore, essential that, wherever necessary, suitable exemptions should be granted from the prohibitions contained in the said section so that directors of the Indian Companies are allowed to exercise their powers effectively. Hence this Bill.

C. D. DESHMUKH.

NEW DELHI;
The 11th June, 1952.

BILL No. 58 OF 1952

A Bill further to amend the Rubber (Production and Marketing) Act, 1947.

BE it enacted by Parliament as follows:—

1. Short title.—This Act may be called the Rubber (Production and Marketing) Amendment Act, 1952.

2. Amendment of section 4, Act XXIV of 1947.—For clause (c) of sub-section (3) of section 4 of the Rubber (Production and Marketing) Act, 1947, the following clause shall be substituted, namely:—

“(c) two members to be nominated by the Government of Madras, one of whom shall be an official and the other a non-official;”.

STATEMENT OF OBJECTS AND REASONS

Under clause (c) of sub-section (3) of section 4 of the Rubber (Production and Marketing) Act, 1947 (XXIV of 1947), the Government of Madras is entitled to nominate one representative on the Indian Rubber Board constituted under the Act. As this does not adequately meet its needs it has asked that its representation on the Board should be increased to two, one official and one non-official. This proposal was referred to the Indian Rubber Board and has its approval.

2. The proposed Bill is accordingly designed to strengthen the representation of Madras on the Indian Rubber Board.

T. T. KRISHNAMACHARI.

NEW DELHI;
The 10th June, 1952.

M. N. KAUL,
Secretary.